Policy on promotion of Agriculture Exports

962. DR. ALLADI P. RAJKUMAR:
SHRI RUMANDLA RAMACHANDRAIAH:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether building on its initiative to promote agricultural exports, the Commerce Ministry is preparing a new policy which proposes providing farmers the latest biotechnology and extensive market intelligence, greater support under the WTO compatible green and amber boxes.

(b) if so, whether the policy envisages close cooperation between the Department of Commerce, Agriculture and Biotechnology;

(c) if so, whether any concrete proposals in this regard have been worked out; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Government is continually striving to boost exports of Indian products through all possible means, including through transfer of available information and inputs to the farmers. Research and development activity is on-going to enchance productivity and reduce costs in the agricultural sector. There is close coordination between various Departments and Ministries in this context, including between the Departments of Commerce, Agriculture and Biotechnology.

National Action Plan for industrially backward areas

963. PROF. M. M. AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have formulated any National Action Plan for the development of industrially backward rural areas in the different parts of the country;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the details of necessary steps being taken by Government for the development of backward districts of the country under the new liberalisation policy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Following are the schemes being implemented by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry for the development of industrially backward areas in the country;

(1) Growth Centre Scheme:

Under this scheme 71 growth centres are proposed to be developed throughout the country which would be provided with basic infrastructure facilities like power, water, telecommunication, sewage, effluent disposal etc. enabling them to attract industries. The growth centres approved by the Government of India are to be developed by the State Governments with Central assistance of Rs. 10 crores per centre (Rs. 15 crores in the case of North-Eastern region). The scheme introduced during 1988 has been extended to the 9th Five Year Plan Period.

(2) Transport Subsidy Scheme:

This Scheme was introduced in July, 1971 to promote industries in hilly, remote and inaccessible areas. The scheme is applicable to the States of Himachal Pradesh, Jammu & Kashmir, the North-Eastern States, Sikkim, Union Territories of Andaman & Nicobar Islands and Lakshadweep, Dajeeling district of West Bengal and eight hill districts of Uttaranchal comprising Almora, Chamoli, Dehradun, Nainital, Pauri Garhwal, Pithorgarh, Tehri-Garhwal and Uttar Kashi. Under the scheme, subsidy ranging from 50% — 90% is admissible of transport costs incurred on movement of raw materials and finished goods from designated rail heads/ports up to the location of industrial units and *vice-versa* for a period of five years from the date of commencement of commercial production. The scheme has been extended up to 31.3.2007.

The following three schemes have also been introduced in the Ninth Plan for accelerating industrialization in the North-Eastern region:

(1) Capital Investment Subsidy Scheme:

Under this scheme a subsidy @ 15% of the investment in plant and machinery subject to maximum of Rs. 30 lakh would be admissible to industries located in the growth centres and to new industrial units and / or their substantial expansion in other identified areas in the North-East region. The Scheme was notified on 1.6.1998.

(2) Central Interest Subsidy Scheme:

As per details of the scheme notified on 19.2.99 Interest subsidy @ 3% on the working capital loan would be made availabe to new industrial units in the North-Eastern region for a period of ten years after the unit goes into production.

(3) Comprehensive Insurance Scheme:

This scheme notified on 14.7.99 envisages insurance benefits of 100% premium to all industrial units set up in the North-Eastern region after 24th December, 1997. The insured party shall pay initial premium which shall be reimbursed by the nodal insurance company out of a revolving fund maintained by the company. Funds for this revolving fund shall be contributed by the Department of Industrial Policy & Promotion. The Scheme will remain effective for a period of 10 year *i.e.* up to 13.7.2009.

The office of the Development Commissioner (Small Scale Industies), Ministry of Small Scale Industries & Agro and Rural Industries are also implementing the following two schemes for development of backward areas:

(1) Integrated Infrastructure Development Schemes (IID)

The scheme introduced in 1994, envisages to develop infrastructure facilities for small industries to facilitate location of industries in rural / backward areas. Under the scheme 53 IID centre have been sanctioned in various States.

(2) National Programme of Rural Industrialization (NPRI)

With effect from 1999-2000, a National Programme of Rural Industrialization has been launched to set up 100 rural clusters every

year under the supervision of Small Industries Development Organisation (SIDO). Of the 100 clusters selected for the current year 50 have been taken up for development by KVIC, 25 by SIDBI and the remaining 25 by the *SIDO, NABARD* and State Governments concerned.

(c) Does not arise.

(d) The Central Government supplements the efforts of the States through the various Schemes indicated above.

Impact of liberalisation on Indian Industry

964. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state;

(a) whether the Indian Industry has welcomed the liberalisation move of Government;

(b) if so, to what extent this liberalisation move has helped the Indian Industry;

(c) whether more and more investment in all the sectors have been encouraged;

(d) the number of total foreign investors who have come after this decision; and

(e) to what extent easing of FDI norms has helped the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) Apex industry associations have welcomed the liberalisation and have even sougth further reforms.

(b) to (e) The process of liberalisation has been more extensive since 1991. Industrial Licensing stands abolished for all the industries, except a few, which are strategically important. Liberalisation was brought in with a view to bring competition and free market, efficient use of scarce resources and ensuring rapid growth. The liberalisation has made the entrepreneurs free to take investment decisions based on their own preception.

Since initiation of liberalisation policy till June, 2001, the proposed investment through Letters of Intent (LoIs) and Industrial Entrepreneur Memorandum (IEMs) stood at Rs. 1,027,491 crore.